

MINUTES OF BOARD CORPORATE MEETING #271

January 11, 2005

(Meetings of the Board Corporate convene immediately after the Board meetings.)

Members Present:

Daniel W. Varin, Chairman
Timothy Brown
Robert Griffith*
William Parsons
Jon Schock
William Stamp, III
June Swallow*
Fred Vincent

Members Absent:

William Penn, V. Chairman

*Member designee

Staff Present:

Kathleen Crawley
Elaine Maguire
Connie McGreavy
Brian Riggs
Tracy Shields
Thomas Walker
William Riverio

Guests:

Frank Perry

1. CALL TO ORDER

With a quorum present, Chairman Varin called the meeting to order at 1:15PM.

2. APPROVAL OF MINUTES:

On a motion by Mr. Schock, second by Mr. Stamp, the Board unanimously approved the minutes of the December meeting.

3. CHIEF FINANCIAL OFFICER'S REPORT

Mr. Schock moved acceptance of the report, noting the change in the spreadsheet relevant to the surcharge. Mr. Griffith seconded the motion. The report was approved unanimously.

4. COMMITTEE REPORTS AND ACTION ITEMS RESULTING

A. Finance Committee—Mr. Jon Schock

(1) Payment Requests:

- (a) AMTEC – Rebate Computations for the \$11,385,000 Rhode Island Water Resources Board, Corporate Issue, Public Drinking Water Protection Revenue Bonds, Series 2002 — Payment Requested: \$600.00; Recommended payment: \$600.00. Request for Approval

Mr. Schock explained that the request is to prepare a rebate report and opinion; the Finance Committee approved the request. Mr. Varin clarified that this is a requirement for the bond issue. Mr. Schock moved approval, with Mr. Griffith seconding. The motion was approved unanimously.

B. Public Drinking Water Protection Committee—Chair Robert Griffith

(1) RI Public Drinking Water Protection Program—Phase III:

Mr. Griffith stated that all four of the items below were before the Board in December; however, there were a number of questions that were referred back to the PDWP Committee. Additionally, the PDWP Committee lacked a quorum, so each item is referred to the Board for action.

- (a) United Water Rhode Island – Watershed Protection Land Easement Acquisition Project; Town of South Kingstown Plat 61, Portion of Lot 60; Acreage 20.34 Acres, Appraisal Value \$270,000, Contribution Price per Requisition \$270,000 — Payment Requested: \$270,000.00; Recommended payment: \$270,000.00. Request for Approval

Mr. Griffith explained that the issues before the committee were the easement line and use of Best Management Practices. He added that Mr. Knox of United Water RI and Mr. Stewart reported on the use of fertilizers and pesticides to his satisfaction as Chairman. He noted that Ms. Kaye of the RI Dept. of Environmental Management assisted in putting together the legal agreements, stating that the value of the land exceeded the easement price. Mr. Griffith moved approval of the request, subject to receipt of necessary documentation as required at closing and for final approval. Mr. Parsons seconded the motion, which passed with Mr. Schock and Ms. Swallow abstaining.

- (b) Harrisville Fire District—Watershed Protection Land Acquisition Project: Request for Eligibility. Request for Approval

Mr. Griffith stated that this request was for an odd shaped piece of land, part of which extends into the wellhead protection area for wells # 2 and # 3 in the Harrisville Fire District. There was a question as to whether Harrisville should be allowed to acquire the entire piece or just the one section. Mr. Perry explained that a map had not been presented at the first PDWP meeting, so the Committee could not make a decision. The map now clarifies the exact location of the parcel, in relation to the wellhead protection zones, which was the real question. Mr. Griffith stated that the PDWP Committee considered the latest presentations and felt the additional information was sufficient for the Board's review. Mr. Griffith also asked staff to review the project's eligibility with bond counsel. Bond counsel agreed it was eligible; therefore, Mr. Griffith recommended approval. He proceeded to move the question with Mr. Stamp seconding. Mr. Schock wished to confirm that approval simply starts the negotiation process. Mr. Varin answered, yes, adding that the landowner will be able to dispose of a poorly shaped piece of land and Harrisville needs it. Ms. Crawley added that the town is handling this as a condemnation. The motion carried unanimously.

- (c) Pawtucket Water Supply Board – Requisition #5 for Water Quality Improvement Protection – Brush Clearance — Payment Requested: \$53,360.00; Recommended payment: \$53,360.00. Request for Approval

Mr. Griffith stated that the PDWP Committee questioned both the amount of the request, as well as whether the project should be considered routine maintenance. Representatives of the Pawtucket Water Supply Board (PWSB) provided maps and aerial photos of the area. Ms. Marchand, General Manager, stated that this was a one-time expense, which in some cases, was mandated. She explained that some of the brush is 3"- 4" in diameter. The PWSB has also hired a source water protection manager for ongoing maintenance of the watershed. As Chairman of the Committee, Mr. Griffith stated that he felt satisfied and recommended approval of the request as a water quality improvement project. He stipulated that approval should be a one-time authorization, and no other requests for brush removal would be entertained by the Committee in the future. Mr. Brown seconded the motion.

Mr. Stamp stated that he does not want the Board to set a precedent for land clearing and advised caution. Mr. Varin asked whether the PWSB is going to request a second payment for this project. Mr. Griffith responded, yes, and that future requisitions would be for approximately the same

amount. A major problem is overgrowth in the watershed. The PWSB is ahead in terms of land acquisitions and this is the first part of a two-part project. Mr. Schock recalled that in December, the PWSB was seeking reimbursement for security—there was an obstructed line of vision to the dam. He wished to clarify whether the Board was being asked to consider this request as a water quality improvement project. Mr. Griffith answered that the project is a combination of security and the dam, but it is also in the watershed area where vegetation has encroached into Abbot Run. The area has to be cleared of hardwoods. Mr. Schock asked which item in the list of 15 eligible projects this belonged. Mr. Griffith replied that security is one. Mr. Schock asked where water quality fits. Mr. Griffith answered, because of the hardwoods and the tannic that is getting into the supply. Mr. Schock asked if approval was based on a line-of-sight issue (security) or because it is part of the vulnerability assessment? Mr. Griffith believed some fencing was involved in terms of both vulnerability and line-of-sight. He added that the dam and reservoir area is exposed. Mr. Varin interjected that this work responds to a RI Dept. of Health (DOH) requirement. Ms. Swallow stated that brush clearing had been approved by DOH in some instances, but she could not recall whether this was one of them. Mr. Griffith reported that the Providence Water Supply Board employs a forestry manager because the watershed is extensive. Mr. Varin asked for a vote, which was unanimous.

(d) Town of Westerly Water Department—Water Quality Improvement Project: Eligibility Request for Mixed Oxidant Study. Request for Eligibility Approval

Mr. Griffith referred members to a letter from the Board's bond counsel, explaining that this project falls under the nonstandard project eligibility category; therefore, the Board can approve it. Ms. Swallow concurred adding that this is an ongoing pilot study approved by DOH. She then referred to department correspondence cautioning that the project does not fully address concerns. Mr. Stamp asked whether other researchers were involved independent of municipalities and DOH. Ms. Swallow stated that consulting engineers were hired to conduct the pilot, using protocols required by DOH. Mr. Varin suggested the study was useful, but may not be the entire solution. Mr. Vincent noted that the letter characterized the study as substantially complete, yet it is referred to as a pilot. He wondered whether the Board should fund it, contingent on a guarantee that DOH would sign off. For example, DOH could decide not to proceed or choose to do more study or come up with another alternative. Mr. Schock stated that the protocol for small system innovative technology is to go through with performance verification. He asked whether the manufacturer was going to have to demonstrate the technology to DOH as part of the approval process. If so, he suggested making the Board's approval contingent on DOH approval. Mr. Varin reminded members that the request was only for eligibility at this time.

Mr. Vincent asked what the PDWP Committee recommended. Mr. Griffith answered that the Board has authority to authorize it. He did not know whether the technology would work or if future phases would be approved. He could not determine if Westerly would go forward, but added that they have the funds and know the risks. Mr. Griffith believed the Board should be willing to take the same kind of risks that others are. It is possible to approve eligibility, but not the project. Mr. Stamp wanted to know if water quality was a consideration versus aesthetic aspects. Ms. Swallow answered that Westerly is required to use chlorine in the treatment process. Mr. Stamp asked whether the university had done any research from which others could benefit. Mr. Schock wanted to know if the Board approved project eligibility, would it be obliged to pay future requests, regardless of whether the pilot fails or succeeds. Mr. Varin responded that the Board is not obliged. Mr. Schock thought the Board should advise Westerly if there were reservations. Mr. Griffith stated that Westerly has undertaken the project already, and when the time comes to pay the bill, he felt the Board had an obligation to pay for it, whether it is successful or not. He reiterated that the PDWP did not have a quorum, so no vote was taken.

Mr. Vincent noticed that the study costs \$60,000, but it is incomplete. He wanted to know whether total cost was \$60,000, or \$100,000. Ms. Swallow said she did not know how much the final cost would be but suspected it would be substantially more. Mr. Griffith concurred, that is, if the project is implemented. Ms. Swallow stated that there would be more pilot efforts. Mr. Stamp asked, if the study is successful, can other facilities request funding. Mr. Varin answered, yes. Mr. Griffith advised that there might not be a watershed protection fund in the future, but perhaps, a revolving

loan fund. Mr. Varin said that if the system works and some other water district has the same problem and wants to do a similar study, it could get funding. Mr. Perry added that some piloting is always required. Mr. Vincent reported that the RI Dept. of Environmental Management has approved approximately a dozen innovative technologies for individual sewage disposal systems. The applicant has to show protocol and prove experience and effectiveness of the application. Once it is approved, homeowners can use the technology—it is an investment.

Mr. Griffith moved to approve eligibility of the mixed oxidant study advising that authorization is only for this phase of the pilot project with no comment on how the Board would consider subsequent phases. Mr.. Brown seconded the motion. Mr. Stamp suggested spreading the word among other water suppliers. Mr. Schock wanted to be sure that if Westerly submits an invoice for a part of the project even if it fails, the Board would pay. Mr. Varin responded yes, added that the Board is not the only agency funding demonstrations. The Narragansett Bay Commission's Combined Sewer Overflow project is costing millions of dollars and there are no assurances that \$400,000,000 will be enough. The motion to approve the request was approved with Ms. Swallow abstaining.

5. NEW BUSINESS - None

6. OTHER BUSINESS - None

7. ADJOURNMENT

On a motion by Mr. Stamp, second by Mr. Schock, the Board unanimously voted to adjourn at 1:45PM.

Prepared by,

Connie McGreavy

S:\Board Corp\minutes\2004\Bdcorp jan mins 2005.doc